

SE/



18000965

ANNUAL AUDIT

FORM X-17A-5

PART III

SEC MAIL ADDRESSING

Received

## OMB APPROVAL

OMB Number: 3235-0123  
 Expires: August 31, 2020  
 Estimated average burden  
 hours per response: . . . . . 12.00

SEC FILE NUMBER

8-69704

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
 Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING

1/1/2017

MM/DD/YY

AND ENDING

WASH, D.C.

12/31/2017

MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Brighton 5th Partners LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

800 Westchester Avenue, Suite S628

(No. and Street)

Rye Brook

(City)

NY

(State)

10573

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Ethan Levinson

646-450-9357

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained on this Report\*

Lerner &amp; Sipkin

(Name - if individual, state last, first, middle name)

132 Nassau Street

(Address)

New York

(City)

NY

(State)

10038

(Zip Code)

## CHECK ONE:



Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See 240.17a-5(e)(2).

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information  
 contained in this form are not required to respond unless the form  
 displays a currently valid OMB control number.

BW

## OATH OR AFFIRMATION

I, Ethan Levinson, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to the firm of Brighton 5th Partners LLC, as of December 31 2017, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer, or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

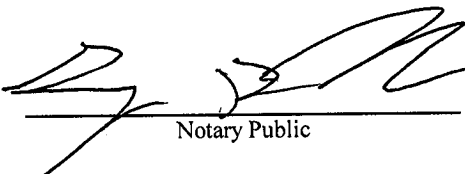
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Signature

Managing Member

Title

  
Notary Public

Giuseppe D. Nobile  
Notary Public, State of New York  
NO. 01N06094608  
Qualified in Westchester County  
Commission Expires June 23, 2019

This report\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Cash Flows
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of General Creditors.
- ☐ (g) Computation of net capital for brokers and dealers pursuant to Rule 15c3-1.
- ☐ (h) Computation for determination of reserve requirements pursuant to Rule 15c3-3.
- ☐ (i) Information relating to the possession or control requirements for brokers and dealers under Rule 15c3-3.
- ☐ (j) A reconciliation, including appropriate explanation, of the computation of net capital under Rule 15c3-1 and the computation for determination of the reserve requirements under exhibit A of Rule 15c3-3.
- ☐ (k) A reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An oath or affirmation.
- ☐ (m) A copy of the Securities Investor Protection Corporation (SIPC) supplemental report.
- ☐ (n) Exemption Report

\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

Brighton 5th Partners LLC  
December 31, 2017  
CONTENTS

---

	<u>Page</u>
<b>Report of Independent Registered Public Accounting Firm.....</b>	<b>1</b>
<b>Financial Statement</b>	
Statement of Financial Condition .....	2
<b>Notes to Statement of Financial Condition.....</b>	<b>3-6</b>



**LERNER & SIPKIN**  
CERTIFIED PUBLIC ACCOUNTANTS LLP

132 Nassau Street, New York, NY 10038 Tel 212.571.0064 / Fax 212.571.0074

Jay Lerner, C.P.A.  
jlerner@lernerpsipkin.com

Joseph G. Sipkin, C.P.A.  
jsipkin@lernerpsipkin.com

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Members of  
Brighton 5<sup>th</sup> Partners LLC  
800 Westchester Avenue  
Rye Brook, NY 10573

**Opinion on the Financial Statement**

We have audited the accompanying statement of financial condition of Brighton 5th Partners LLC as of December 31, 2017, and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Brighton 5th Partners LLC as of December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

The financial statement is the responsibility of Brighton 5th Partners LLC's management. Our responsibility is to express an opinion on Brighton 5th Partners LLC's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Brighton 5th Partners LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

*Lerner & Sipkin CPAs LLP*  
Lerner & Sipkin CPAs, LLP  
Certified Public Accountants (NY)

We have served as Brighton 5th Partners LLC's auditor since 2016.

New York, NY  
February 20, 2018

**BRIGHTON 5TH PARTNERS LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2017**

ASSETS

Cash and cash equivalents	\$ 38,199
Investment in marketable securities	112,950
Accounts receivable	5,123
Other assets	<u>27,677</u>
 Total Assets	 <u><u>\$ 183,949</u></u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities:

Accounts payable and accrued expenses	\$ 26,175
 Total liabilities	 <u>26,175</u>
 Member's equity	 <u>157,774</u>
 Total Liabilities and Member's Equity	 <u><u>\$183,949</u></u>

The accompanying notes are an integral part of the statement of financial condition.

## **BRIGHTON 5TH PARTNERS LLC**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

#### **NOTE 1 – ORGANIZATION AND NATURE OF THE BUSINESS**

Brighton 5th Partners LLC Capital Group LLC (the “Company”), was organized on October 15, 2015 in the state of Delaware as a limited liability company. The Company began its operations as a broker-dealer on July 12, 2016. The Company is a broker-dealer registered with the Securities and Exchange Commission (“SEC”), and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”) and the Securities Investors Protection Corp ( “SIPC”). The Company provides third party investment research to clients and receives consideration for the research which may include commission income. The term of the Company shall continue in perpetuity unless sooner terminated in accordance with the provisions of its operating agreement. Since the Company is a limited liability company, the member is not liable for the debts, obligations, or liabilities of the Company, whether arising in contract, tort or otherwise, unless a member has signed a specific guarantee.

#### **NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of Presentation**

The Company prepares its financial statements on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

##### **Revenue Recognition**

The Company recognizes revenues when persuasive evidence of an arrangement exists, the service has been provided, the price is determinable, and collectability is reasonably assured. Securities transactions (and recognition of related income and expenses) are recorded on a trade date basis.

##### **Cash and Cash Equivalents**

The Company considers all highly liquid temporary cash investments with an original maturity of three months or less when purchased to be cash equivalents.

##### **Fair Value Measurement**

Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market.

Valuation techniques that are consistent with the market income or cost approach, as specified by FASB ASC 820, are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.

**BRIGHTON 5TH PARTNERS LLC**  
**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumption about the assumptions that market participants would use in pricing the asset or liability.

**Income Taxes**

The Company is a single-member limited liability company, and by default is treated as a disregarded entity for tax purposes under the provisions of the Internal Revenue Code and the appropriate sections of Delaware State Law. Under those provisions, the Company does not pay federal or state income taxes. Therefore, all of the Company's taxable income or loss and other items of taxation will pass-through to the individual member, who is liable for any federal and state income taxes.

The Company evaluates its uncertain tax positions under the provisions of FASB ASC 740, *Income Taxes*. FASB ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. Differences between tax positions taken or expected to be taken in a tax return and the benefit recognized and measured pursuant to the interpretation are referred to as "unrecognized benefits." A liability is recognized (or amount of net operating loss carry forward or amount of tax refundable is reduced) for an unrecognized tax benefit because it represents an enterprise's potential future obligation to the taxing authority for a tax position that was not recognized as a result of applying the provisions of FASB ASC 740. As of December 31, 2017, no unrecognized tax benefits were required to be recorded.

**BRIGHTON 5TH PARTNERS LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent Events**

The Company evaluated subsequent events for recognition and disclosure through the date on which these financial statements are being issued. The Company is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

**NOTE 3 - NET CAPITAL REQUIREMENTS**

The Company is subject to the SEC's Uniform Net Capital Rule ("SEC Rule 15c3-1"), which requires that the Company maintain a minimum net capital of \$5,000 and that the ratio of aggregate indebtedness to net capital, as defined, shall not exceed 8 to 1. At December 31, 2017, the Company had net capital of \$118,930, which exceeded required net capital by \$113,930, and a total aggregate indebtedness of \$26,175. The Company's aggregate indebtedness to net capital ratio was .22 to 1 at December 31, 2017.

**NOTE 4 - RELATED PARTY TRANSACTIONS**

The Company has entered into a lease agreement dated August 12, 2016 expiring August 31, 2020 with an affiliate, under which it is charged for office rent. The expenses charged were \$26,275 for the period ended December 31, 2017. At December 31, 2017, the Company owed \$-0- to this entity. Because this is a related entity, operating results could vary significantly from those that would be obtained if this entity was autonomous. The future minimum rental payments required under this lease agreement as of December 31, 2017 are summarized below:

Year Ending December 31:	Amount
2018	52,646
2019	53,176
2020	<u>35,667</u>
Total	<u>\$141,489</u>

**BRIGHTON 5TH PARTNERS LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 5 – CONCENTRATIONS**

Financial instruments that subject the Company to credit risk consist principally of cash and cash equivalents. The Company performs certain credit evaluation procedures and does not require collateral for financial instruments subject to credit risk.

The Company maintains checking and money market accounts in a financial institution. Accounts at the bank are insured by the Federal Deposit Insurance Corporation (“FDIC”). At times, cash may be uninsured or in deposit accounts that exceed the FDIC insurance limit. The Company has not experienced any losses in the accounts. The Company believes it is not exposed to any significant risk on cash. Management periodically assesses the financial condition of the bank and believes that any potential credit loss is minimal.